## NATIONAL INTELLIGENCER.

THE DESTRUCTION OF SAN JUAN.

The President of the United States, in reply to resolutions heretofore adopted by both Houses, laid before Congress on Monday the following Correspondence from the State and Navy Departments conveying information in relation to the recent destruction of San Juan del Norte by the United States sloop-of-war Cyane.

Mr. Fabens to Mr. Marcy.

COMMERCIAL AGENCY, UNITED STATES OF AMERICA, San Juan del Norte, Nicaragua, May 15, 1854. STR : I have the honor to acknowledge the receipt of flag and arms of the United States for this agency, per steamship "Star of the West," on the 2d March last. I have also to acknowledge the receipt of your despatch dated March 21, granting me leave of absence for six

dated March 21, granting me leave of absence for six weeks, agreeably to my request, and it is my present intention to leave per steamship "Northern Light" on or about the 1st proximo.

Since my last despatch of 3d March there have been some matters of difference between the people of this town and the Accessory Transit Company of Nicaragua.

Mr. Joseph L. White, agent of the company left here on the 17th of March, without having effected any settlement of existing difficulties between the company and the town. Before leaving he gave instructions to the captains and pursers of the steamships to pay no more port charges at San Juan del Norte, and take no letters er other packages or freight for and have no communication of any nature whatever with the people of said town. This proceeding on the part of the company, exasperated much the people of the town.

The ground taken by the company in this matter was, that the territory which they occupied, known as Point Arenas, was held by them by virtue of their charter from Nicaragua, and was a portion of that State; that their steamships did not come within the jurisdiction of the municipal authorities of San Juan del Norte, and were consequently not to be held liable for any port charges

municipal authorities of San Juan del Norte, and were consequently not to be held liable for any port charges levied by the authorities of that town.

On the 15th of April an election of town officers was held, which resulted in the choice of an administration supposed to be friendly to the Transit Company, and prepared to settle all differences with the said company upon the terms set forth by Mr. White while here; but upon the terms set forth by Mr. White while here; but on the evening of the 5th instant a disturbance took place upon the shores of the harbor, the details of which are fully, and as I believe correctly, set forth in the accompanying document, marked A; and on the evening of the 6th instant another and more serious difficulty occurred, which is correctly described in document B. The facts set forth in these two protests of Mr. Scott, General Agent of the Accessory Transit of Mr. Scott, General Agent of the Accessory Transit of mpany of the Nicaragus, are substantiated by depositions taken before me of several of the employes of company. The point of contention between the parties is, as will be seen, the right of jurisdiction on the part of the municipal authori-

contention between the parties is, as will be seen, the right of jurisdiction on the part of the municipal authorities of San Juan del Norte ver Point Arenas.

Since the occurrences described in the above-named documents affairs have gone on quietly. On the 12th Mr. Scott appeared in court that his bail might not be forfeited, but declined contesting the case, having already protested. After a brief examination of the person presenting the complaint ha (Mr. Scott) was discharged. resenting the complaint, he (Mr. Scott) was discharged. The trial of Sloman will take place on the 20th instant, when, as he acknowledges the offence with which he is charged, he will probably be condemned to pay a few dol-

I have brought this matter to your notice because I believe that, until affairs are arranged between the Nicaragua Transit Company and the town of San Juan del Norte, or until the question of sovereignty over this town and the territory of Point Arenas is settled, there can be no permanent tranquillity or well-being on either side. I for the present; but I am nevertheless of opinion that the frequent visits to our harbor of vessels of war of the United States will exercise a beneficial influence upon the interests of all concerned.

I am, sir, with great respect, your very obedient serant,

JOSEPH W. FABENS. Hon. WILLIAM L. MARCY,
Secretary of State of the United States.

(A.) COMMERCIAL AGENCY UNITED STATES OF AMERICA,

By this public instrument of protest be it known unto all men that
on this 12th day of May, A. D. 1854, personally appeared Joseph N.
Scott, agent of the Accessory Transit Company of Nicaragus, who,
being duly sworn, did solemuly depose and say:

That on the evening of Friday, 5th instant, at or about the hour of
Il P. M., William Creighton, mate of the steamer "H. L. Bulwer,"
belonging to the aforesaid Transit Company, being at that time at the
said company's station at Foint Arenas, did observe four men in the
act of foading a yawl boat, belonging to the said company, with merchandise, and suspecting something wrong in consequence of the lateness of the hour, did thereupon notify the deponent of the fact. The
said Creighton recognised the aforesaid men as Robert Reed, J. Magraw, and two others, names unknown, but all at the time or previously employes of the said company.

The deponent immediately proceeded to the spot, but the boat was
at some distance from the beach at the time of his arrival. He halled
the boat, calling upon the said Reed by name to come back. The
parties in the boat made no reply, although they were within easy

the boat, calling upon the said receivy hamber to come each. And parties in the boat made no reply, although they were within easy halling distance, and their voices were heard from the shore apparatily exporting one another to push on. He, the deponent, finding that no attention was paid by the men in the boat to his command, at once dispatched a second boat, manned by William Crighton, Robert Bullis, and William Sloman, all employes of the said Transit Community.

pany, in pursuit.

The boat that first left the aforesaid Point Arenas shaped her course The boat that first left the aforesaid Point Arenas shaped her course for the city of San Juan del Norte, and, arriving there before the second boat, a portion of the men succeeded in leaving her before the pursuers reached the spot. One man, the aforesaid Reed, was found in the boat, and, while resisting the attempts of the aforesaid Sloman to secure him, he was struck upon the head by the said Sloman. The said Sloman, after knocking the man Reed into the water, attempted to shove the boat off shore, and, while in the act of so doing, the soldiers from the station-house threatened to fire on him; thus compelled, the said Sloman returned to the shore with the boat. In the mean time the men who had escaped from the first boat took refuge in the station-house.

He, the deponent, doth further solemnly depose and say, that the yawl boat above described, together with the merchandise therein, consisting of flour, corn-meal, &c., was the property of the aforesaid

He, the deponent, doth turner something with the merchandise therein, yawl boat above described, together with the merchandise therein, consisting of flour, corn-meal, &c., was the property of the aforesaid Transit Company, and was stolen from the said company as above described, and that it was in the attempt to recover said property and seried, and that it was in the attempt to recover aid property and seried, and that it was in the attempt to recover aid property and seried in the above specified difficulty.

Soon after the occurrence last described above, Mr. Hutchinson, elerk of the aforesaid Transit Company, acting under the orders of the deponent, accompanied by three men, arrived on the spot, and finding the stolen boat on the beach, jumped into her with his, the said Hutchinson's, men. The said Hutchinson then attempted to shove off the 

On the following morning, 6th instant, the said Hutchinson returned to San Juan with the said Creighton, to identify the aforesaid property, in accordance with the agreement made with the asid Diemman, as above described. He, the said Diemman, had not the proparty in charge, but said he had handed it over to the marshal. The said Hutchinson then accompanied the said "marshal" to a house, in the open yard of which were some articles which he, the said "marshal," masked were the goods in question. The said Hutchinson, finding the agreement made between himself and the said Diemman above described had been thus violated, and seeing that the flour and other articles taken by the aforesaid Reed, Magraw, and associates were missing, and that the wife of the said Magraw was apparently in charge of the goods, declined making any examination of the same, and left on his return to the point aforesaid.

On the same morning, 6th instant, A. Siguad, mayor of San Juan del Norte, issued a warrant for the arrest of the aforesaid William Sloman, charged with assault and battery upon the person of the aforesaid Robert Reed, which was received by the said Sloman from the hands of the said marshal. The said Sloman, being in the employ of the aforesaid Transit Company, requested to communicate with the deposent, agent as aforesaid under whose orders he hal acted. The

Now, therefore, the deponent, for and in behalf of the aforeasid Transit Company of Niearagua, doth hereby publicly and solemnly protest against the authorities of San Juan del Norte and their proceedings, as above described, in the assistance rendered by them in harboring the aforeasid Reed, Magraw, and associates, and receiving the goods stolen by them, the said Reed, Magraw, and associates, to the great detriment of the Transit Company aforeasid, and in sending an armed bree to the territory known as Point Arenas, in Niearagua, new occapied by the said Transit Company, by virtue of their charter from Niearagua, as a gross and unjustifiable outrage upon the proprity, as well as the rights and privileges, of the said Transit Company, and will bold them, the authorities aforesaid, responsible for all

on this 12th day of May, A. D. Mor, burnary of Nicaragua, who, beteett, agent of the Accessory Transit Company of Nicaragua, who, being duly sween, did selemnly depose and say:
That, on the 6th instant, William Sloman, an employe of the aforemid Transit Company, was taken by force, and under protest of the
deponent, from Foint Arenns, in Nicaragua, and carried to the city of
fan Juns del Norte, by persons claiming to be in authority there, under the protection of the Mosquito flag. On the evening of the same
day is, the deponent, did proceed to the city of San Juna aforessid
day is, the deponent did proceed to the city of San Juna aforessid

ry Transit Company of Nicaragua, publicly and solemnly pro-inst the aforesaid authorities of the city of San Juan del Norte commission of the above described outrage, and will hold them sses, damages, costs, charges, and interests which oned by the same.

JOSEPH N. SCOTT, Agent.

Mr. Borland to Mr. Marcy.

WASHINGTON, MAY 30, 1854.

Washington, May 30, 1854.

Sir: Having arrived in this city from my mission in Central America, I beg leave to submit the following statement of occurrences which I regard as important, and ask for it your early consideration.

Enclosed herewith, and marked A, is a printed slip, cut by me from a New York newspaper, which purports to be a statement of those occurrences, prepared by the officers of the steamer "Northern Light," and which I find to be correct in all material particulars. I present it in lieu of any separate statement of my own, and adopt it as such.

t as such. Enclosed also, marked B, I hand you a copy of the agreement made by me with the persons I employed to remain at Punta Arenas as a guard over the persons and

property of our citizens.

In addition I deem it proper to remark that, although I was personally cognizant of the conduct of Capt. Smith, for which he was charged with murder, and sought to be for which he was charged with murder, and sought to be arrested by the so-called authorities of San Juan, or Greytown, and was, as I new am, clearly and decidedly of opinion that he was justifiable in all he did, the question of his guilt or innocence did not enter into the considerations for which I interposed to protect him. He was a citizen of the United States; and the persons who sought to arrest and claimed the right to punish him were not recognised by the United States as a Government possessed of the right or invested with the power to exercise jurisdiction over any portion of Central America, or to determine any question involving the persons or property of our citizens. of our citizens.

This ground I was not only authorized, but required to

assume, as well by the precedents of interposition to pro-tect our citizens at the same place, and against the same tect our citizens at the same place, and against the same persons, heretofore directed and sanctioned by our Government, as by the special instructions under which my mission was undertaken. Besides, even supposing the so-called authorities of San Juan, or Greytown, to be a Government invested with the rights and powers I have denied over the territory embraced within their town limits, they certainly had no jurisdiction over that portion of the territory upon which the obnoxious act of Capt. Smith had been done, as that was, although on the north bank, yet some ten or twelve miles above the mouth of the San Juan river. So of the place where his north bank, yet some ten or twelve miles above the mouth of the San Juan river. So of the place where his mouth of the San Juan river. So of the place where his arrest was attempted—Punta Arenas—on the south bank of the San Juan river, and the opposite side of the bay from San Juan, or Greytown. The act, then, of Captain Smith, whether criminal or not, was done within the territory of Nicaragua, and for it he is amenable to Nicaragua alone, if to any authority. And the place of his attempted arrest—Punta Arenas—is territory in dispute between Nicaragua and Costa Rica; so that no legal process, civil or criminal, could rightfully be executed there, unless by the authority of one or the other of those Powers.

Powers.

It will be observed that at one moment I resorted to a threat of violence to repel the armed men of San Juan from the steamer. I wish it to be distinctly understood that I did this from no impulse of passion, nor with the expectation that my threat would have to be executed, though if unbacked it would have here.

though if unheeded it would have been.

My course was adopted from a conviction of its necessity as the only mode then at my choice to prevent a collision which could hardly have ended without the destruc-

tion of many lives.

It is true that the mayor (Ligand) came to me and disavowed the acts of those who arrested and assaulted me; but it is equally true that he presided at the meeting in the station-house, (Iron Hall,) in which it was proposed (by Martin, the ex-mayor) and resolved to arrest me; that the authorities took no steps to prevent it; and that

that place last September the number of negroes was much smaller than at present. This number has been increased, as I am informed, by recent arrivals from Jamaica, until now they constitute the majority and ex-ercise the greater influence. At the last election and cor-

ercise the greater influence. At the last election and corporate organization no American, except one mulatto man, (from New Orleans,) was included.

Of these people I am informed that some seventy-five to one hundred can be mustered for military service, and they have in their possession three brass cannon—one 18-pounder and two 12-pounders—and some two hundred muskets. With the exception of a few persons these people own no property and have no ostensible means of livelihood.

In their anomalous condition—right-

rpation territory which our Government recognises by usurpation territory which our Government recognises as belonging to Nicaragua—being persons, almost without exception, of notoriously bad character, some of them discharged penitentiary convicts and refugees from justice; habitually manifesting evil dispositions towards our citizens, and indulging those dispositions to the injury of persons and property whenever they are not restrained by force, I am unable to regard them in any other light than as pirates and outlaws, upon whom punishment, to the extent of extermination, may be rightfully inflicted by any hand that has the power; and, in my opinion, the by any hand that has the power; and, in my opinion, the interests of good government and humanity impose the duty upon any offended party of inflicting such punishment in a manner at once summary and effective. Heretofore, when these persons have committed their lawless acts upon our citizens, the armed hand of our Government has been interposed, not to punish for the past offence, but only to prevent its threatened repetition. As a consequence, as soon as the restraining force was withdrawn the offence was repeated, until now they have got to believe that restraint for the time, and not purish to believe that restraint for the time, and not punish-ment, is the worst they will have to suffer for their worst acts. When I warned them of the consequences of their bad conduct, they boldly told me they intended to do as

bad conduct, they boldly told me they intended to do as they pleased and were reckless of consequences. Under these circumstances, and informed by our com-mercial agent, Mr. Fabens, as also by Mr. Scott, the agent of the Accessory Transit Company, who has under his care many thousand dollars worth of property, that in view of the evil dispositions of those persons, as mani-fested for some time past in a state of high excitement, fested for some time past in a state of high excitement, they did not consider that the persons and property of our citizens would be safe, after the steamers had left, unless protected by an adequate force, I deemed it my duty to employ the services of the men, as set forth in the printed slip and the agreement enclosed, in order to afford that protection. As these circumstances are, so far as I am informed, without precedent, so, I presume, is the course of conduct I pursued under them. What I did I found to be necessary and believed to be right. I therefore assumed the responsibility, not doubting that it would be approved by my Government.

It will be observed that the compensation I agreed to pay is large; that is, it would be considered so under ordinary circumstances; but, under the circumstances of

pay is large; that is, it would be considered so under or-dinary circumstances; but, under the circumstances of the time and place, added to the fact that the men em-ployed were our citizens, who had been long from home, and were anxious to return, some of them being half-way the voyage, I do not think the amount can be deemed un-reasonable. The refunding passage money, provided for in the agreement, was superseded subsequently by the stipulation in the postscript—to pay fifty dollars in addi-tion to the one hundred first agreed upon. The reason for adding the fifty dollars was the difficulty I found in gesting the requisite number of men, after a few had engetting the requisite number of men, after a few had en-listed, for the hundred. Without this addition I could not have made up the number. The free passage home is still provided for by the agreement of the Transit Company to receive the tickets for the remainder of

An additional item of expense, the abount of which could not be a scertained at the time, and which I do not yet know, is the cost of arms to supply portion of the men. These purchases I authorized the agent of the Transit Company to make. The subsistance of the men will be furnished on account by the aget of the company to the compan ny. If the service shall continue longer han one month the rate of compa neation for the additional time will be

\$100 a month.

I expressed the a onfident opinion to the men employed that they would not be detained longer tan one month; and I promised that they should be pal, through our and I promised that they should be pal, through our and I promised that they should be pal, through our should be palled by the commercial agent, when their services epired, at Punta Arenas. For this opin on and promise confidently re-lied upon the approval and co-operation my Govern-

I have the honor to be, m ost respectfull, your obedient SOLONBORLAND. servant.

(A)-Arrival of the Northern Li 'tht. - Seriouerouble at Nic ragua. - Arrest of Mr. Borlan d, United Sees Minister. The Purser of the steamer, by auths vity of Capin Churchill, for-slehes the following report of extraordi nary proceedings at San Juan, avolving the arrest of Mr. Borland, the America Minister. The

Purser says:

On the evening of the 16th instant the private and the same find alongside the T. T. Smith, arrived at Punta Arenas, and was hig alongside the Northern Light to deliver her passengers. At ordinar, while the passengers were passing from one steamer to the cur, a hungo, having on board some twenty-five or thirty arms. I may mostly Janaica negroes, headed by a mulatto man calling him self. b marshal, came

where he found a crowd of persons, among them a number of the armed men from the bungo, in a high state of excitement. The masshal, with his men, was attempting to arrest Capt. Smith; and the latter, standing at the cabin door, was keeping them at hay. Mr. Borland at once interposed, telling the marshal that no authority recognised by the United States existed at Greytown to arrest, or in any way to interfere with, an American citizen, and ordered him to withdraw his men from the steamer and go away. The marshal-proposed to exhibit the mayor's warrant under which he was acting. This Mr. Borland declined to examine.

After some hesistation, the marshal amounced his purpose to withdraw, as advised by Mr. Borland. While this was going on, and before the marshal and his men had left the steamer, much excitement was manifested among the men who had remained on board the bungo; loud, threatening language was used by them, and, brandishing their wespons, several at once rushed on board the steamer. At this moment Mr. Borland, taking a rifle from the hands of a bystander, stepped over the railling upon the guards, warned the men in the bungo to keep off, and at their peril not to put a foot on the steamer. Upon this the movement towards boarding the steamer cassed, and in a few minutes the marshal and his men returned to the bungo, and she returned to the opposite side of the harbor.

About dark Mr. Borland, accompanied by Mr. Scott, a son of the agent of the Transit Company, on board of one of the boats of the Northern Light, went across the harbor to San Juan, or Greytown, to visif Mr. Fabens, our commercial agent. Soon after arriving there Mr. Borland heard that at a meeting of the people of the town, held at the Station house, presided over by the Mayor, it had been proposed, and seemingly agreed to, that he 'Mr. Borland, should be arrested. In a few minutes the execution of this proposition was attempted. A lound knocking was heard at the lower doors of Mr. Fabens house, and upon his going to ascertain the cause a

Jamaica negro, inquired for Mr. Borland, and declared their purpo to arrest him.

Mr. Borland, hearing this, went down stairs, confronted these me and demanded their business with him. Their leader informed he help came by order of the Mayor to arrest him because of his prever-ing the arrest of Capt. Smith. Mr. Borland then repeated to the what he had said to the marshal about their want of authority, & and inquired of them if they were not aware of his exemption for arrest in his capacity of Minister of the United States. To this the nawared, they cared nothing for all that, but that they had come arrest him, and meant to do it. He then warned them of the serio-consequences to themselves and to all concerned with them if they p arrest him, and meant to do it. He then warned them of the scrious consequences to themselves and to all concerned with them if they proceeded to the extremities they proposed. They replied that they knew the consequences, and were prepared to meet them.

Mr. Borland said to them that they must proceed at their peril, and called several gentlemen, who were in an upper room, to come down and be witnesses of the threatened assault upon him. Upon this the leader of the armed force called Mr. Martin, (ex-mayor,) as if for the purpose of consultation, and Martin not answering, they went off a little from the door in the direction where, from their manner, they expected to find him.

About this time, Mr. Borland still standing at the door, the mayor, (a Frenchman,) came up and said these proceedings had been without

Soon after this blow was inflicted upon Mr. Borland the crowd dispersed.

Mr. Fabens, the commercial agent, procured a cance and passed the harbor to the Northern Light, to make known to Capt. Churchill and the passengers the state of affairs on the other side. A meeting was held, at which it was agreed to send a committee of three gentlemen to consult with Mr. Borland as to the best steps to be taken; these gentlemen, with Mr. Fabens, proceeded in one of the steamer's boats to the town, but upon approaching the shore they were halled by a number of armed men, who fired one gun over the boat, and threatened to fire into them if they attempted to land, and this although informed that Mr. Fabens was on board and desired tog to this consulate. Thus forcibly prevented from landing, the boat returned to the Northern Light. During the night the town was occupied by armed men, whose sentinels were stationed between the American consulate, where Mr. Borland was, and the harbor, challenging all who attempted to pass, preventing boats from landing or leaving the shore, and thus keeping Mr. Borland a prisoner all night.

The next morning he procured a boat, and returned on board of the Northern Light, when he was informed by Mr. Fabens, our commercial agent, and Mr. Scott, the agent of the Transit Company, of the violent and lawless disposition manifested by the people of San Juan. They did not doesn the persons and property of our citizens asfe from aggressions, or even destruction, in the absence of force sufficient to protect them. Mr. Borland, concurring in this opinion, called a meeting of the passengers, and proposed to engage the services of fifty men to remain and afford the necessary protection, until our Government, informed of the state of affairs, should send a proper force for the purpose.

The requisite number of men volunteered, and were organized under

purpose.

The requisite number of men volunteered, and were organized under the command of Crawford Fletcher, Esq., formerly from Tennessee, and now on his return from California.

Mr. Fabens, our commercial agent, has taken up his abode under their protection, and Mr. Borland embarked on board the Northern Light, to proceed forthwith to Washington, to lay this matter before the Government.

the station-house, (170n Hall,) in which it was proposed (by Martin, the ex-mayor) and resolved to arrest me; that the authorities took no steps to prevent it; and that the authorities took no steps to prevent it; and that the armed men who arrested me were composed mainly of the police guard of the town, and were armed with the muskets of the corporation. Their leader declared that he came by order of the mayor to arrest me.

From the best information I could obtain the population of San Juan, or Greytown, numbers about three hundred, of all sorts, and consists of a few Englishmen, Frenchmen, Germans, and men from the United States, but mainly of negroes from Jamaica and some natives of the Mosquito shore. There are also some two or three of the Mosquito shore. There are also some two or three that is place last September the number of negroes was that place last September the number of negroes was

[Here follow the names of fifty-one persons who agreed to remain at San Juan as an armed guard, under the command of Crawford Fistcher.]

Mr. Marcy to Mr. Fabens.

DEPARTMENT OF STATE, Washington, June 3, 1854. SIR: I presume an order will be sent out by the steamwhich will leave New York on the 5th instant for San uan to discharge the men who were employed by Mr. Borland for the protection of the life and property of American citizens at that place. One of our armed vessels will be ordered to visit San Juan. The conduct of In their anomalous condition, without a government the people there towards our citizens has attracted the which any civilised nation recognises-indeed, occupying attention of this Government, and will not be passed unnoticed. The inhabitants of that place will be expected to make reparation for the wrongs and outrages they have committed. The case stated in your communication to this Department of the 15th ultimo presents a wrong which requires immediate reparation. As the pretende authorities of the town have volunteered to protect those who had stolen the property of the Accessory Transit Company, when brought within the territories over which they assume to exercise authority, they will be held responsible to the amount thereof, and to make due reparation therefor. You will lose no time in notifying them that this Government will require a restoration of or payment for the property taken to their town, and all | made upon them by the Government of the United States lamages custained by their outrageous conduct in preventing the company from repossessing itself of it. In Transit Company and the person of Mr. Borland, our other respects their conduct has been such towards our citizens as to require the interposition of this Government for obtaining redress, and it is expected the people at that place will be prepared to make it in a satisfactory manner. I shall communicate with you more fully on this subject by the opportunity which will be afforded by the national ship about to be sent to San Juan.

I am, sir, respectfully, your obedient servant. Joseph W. Fabene, Esq.
U. S. Commercial Agent at San Juan de Nicaragua.

Mr. Marcy to Mr. Fabens. DEPARTMENT OF STATE, Washington, June 9, 1854. Sin: Commander Hollins, of the United States navy,

will immediately proceed in a national ship to San Juan de Nicaragua, for the purpose in part indicated in my communication to you of the 3d instant. The rumor which has just reached here embarra

the Government in indicating the course which it will be proper for him to pursue on arriving at that place. It is said that the pretended political and civil authority at that place is dissolved. Should this prove to be true, there will be no organized body upon which a demand for redress can be made, or from which a proper indemnity for injuries or insults can be received. But the individuals who have participated in the infliction of the nex, marked A) no official reply has been given; but I wrongs cannot escape from responsibilities resulting from the conduct of the late political organization at that have fully decided not to accede to any demands of the place.

You were instructed in my former letter to notify the people of San Juan to repair the injury they have caused to the Accessory Transit Company by withholding from it the property which had been stolen and taken to San Juan, and by protecting the persons who were guilty of that the demand for redress therein made will not be the felony. It is hoped that the town will have adjusted that matter to the entire satisfaction of the company; and in that way Commander Hollins will be relieved from the disagreeable necessity of taking any action in regard to that subject. You will, on the arrival of Commander Hollins, explain to him what has been done in that matter.

Mr. Borland, our Minister to Central America, has reresented to this Government that, while recently at San uan, he was insulted by the authorities or people of that clace. An indignity offered to the nation, as well as to him individually, cannot be permitted to pass unnoticed If done by order of the authorities of the place, they must answer for it in their assumed political character. Nothing short of an apology for the outrage will save the place from the infliction that such an act justly merits. It is expected that this apology will be promptly made,

Instructions to Commander Hollins. NAVY DEPARTMENT, JUNE 10, 1854. SIR: The Covernment has recently received intelli gence that the interests of our countrymen require the presence of a intional vessel at San Juan, or Grevtown, and from yourexperience in that region, and confidence in your energy and prudence, and in pursuance of the

wishes of the lresident, the Department has concluded

to direct that yu proceed with the Cyane to that port so

soon as she canbe fully ready for the cruise. The property of the American citizens interested in the Accessory 'ransit Company, it is said, has been unlawfully detened by persons residing in Greytown.

Apprehension i felt that further outrages will be committed. Our Mnister, Mr. Borland, has been treated with rudeness ad disrespect.

You will, however, learn from Mr. Fabens, commercia agent at Greyown, more particularly the conduct of those people, ad the views of our Government, which have been communicated to him from the State Department. You wil consult with him freely, and ascertai the true state othe facts.

Now, it is ver desirable that these people should taught that the United States will not tolerate these outrages, and thatthey have the power and the determina tion to check them. It is, however, very much to be hoped that you can effect the purposes of your visit without a resort to violence and destruction of property and loss of life. The presence of your vessel will, no doubt, work much good. The Department reposes much in your prudence and good sense.

Former despatches have acquainted you with the pe culiar political position of this town, and of the relations of our Government to it. You will remain there no longer than you may deem necessary, as it is a warm and unhealthy climate. You will advise the Department of your novements, and after lewing Greytown you will touch at Pensacola, and receive eders from Commodore Newton there, if not earlier, as yu will constitute a part of his squadron.

I am, respectfully your obedient servant. J. C. DOBBIN. Commander GRORGE N HOLLINS, Commanding U. S ship Cyane, New York.

Mr. Fabres to Mr. Marcy.

COMMERCIAL AGENCY UNITED STATES OF AMERICA, COMMERCIAL AGENCY UNITED STATES OF AMERICA,

Siz: I have the hope to acknowledge the receipt of
your despatch of the A instant.

I am very much griffed to learn that the conduct of
the people of this toy towards our citizens will not be
passed over unnotice.

My last despatch lated May 30, gave a brief statement of affairs sind the denarture of the Wartham

My last despatch, lated May 30, gave a brief statement of affairs sind the departure of the "Northern Light," 17th ultim. There is but little change to the present time. Some of the aiders and abettors in the outrage perpetrate upon Mr. Scott, agent of the Accessory Transit Compny, as well as upon Mr. Borland, United States Ministe to Central America, have escaped per British steamer t/Jamaica, via Navy Bay; but I believe

that the chief insigators are yet among us.

With regard the losses suffered by the Accessory With regard \$\epsilon\$ the losses suffered by the Accessory Transit Company I am of an opinion that no suitable indemnity can be btained from the parties now in possession of affairs, scept by taking possession of and holding the territor of Mosquito, so called, beneath whose flag the outrage in question were perpetrated.

With the hoe of receiving further instruction by the national vessel soon to arrive,

I am, sir, vey respectfully, your obedient servant,

JOSEPH W. FABENS.

Hon. WILLIAM L. MARCY, Secretary of State, Washington.

P. S .- Mr. Sott, agent of the Accessory Transit Cor pany, has notiled me that he does not consider it advis-able or safe, under the circumstances, to leave Point Arenas unprotected, and requests me to keep the guard now there on service until the arrival of an armed vessel of the United States; which request (as it is in perfect accordance with my own opinion in the case) I have complied with, by giving an order to Captain Fletcher, in next steamship, due here 30th June, previous to which date I hope the United States vessel will be here.

Very respectfully, your obedient servant, JOSEPH W. FABENS.

Commander Hollins to Mr. Fabens. U. S. SHIP CYANE.

Harbor of San Juan del Norte, July 11, 1854. SIR: I am directed by the Hon. J/C. Dobbin, Secretary of the Navy, by an order bearing date June 10, 1854, to communicate with you in reference to the action taken by the people of San Juan del Norte upon certain demands for outrages committed on the property of the Accessory Minister to Central America

Be pleased to inform me if the result of the demand has been of such character as to accord with the purport of your instructions.

I have the henor to be, sir, very respectfully, you most obedient servant, GEO. N. HOLLINS, Commander.

JOSEPH W. FABENS, Esq. U. S. Commercial Agent, San Juan del Norte.

Mr. Fabens to Commander Hollins.

U. S. COMMERCIAL AGENCY, San Juan del Norte, July 12, 1854. Sin: I have the honor to acknowledge the receipt of your letter of yesterday. In reply I have to observ that, in accordance with instructions from the Depart ment of State at Washington, bearing date June 3, 1854. notified the people of San Juan del Norte that the Unied States Government would demand of them payment for the property feloniously taken by and with their countenance and consent from the Accessory Transit Com-pany, and all damages suffered and to be suffered by the said company in consequence thereof. I further renewed the demand already made by the said company for outrages committed upon their property in March, 1858. To this notice and demand (copy of which I herewith anhave incidentally learned that the people of the town Transit Company or Government of the United States as reparation for wrongs by them committed. A second lemand for satisfaction was made yesterday evening, (copy herewith annexed, marked B.) which is now in the hands of the people. I learn from the late acting Mayor complied with.

I am, sir, very respectfully, your obedient servant, JOSEPH W. FABENS.

Guo. N. Hollins, Commander U. S. ship Cyane, in harbor of San Juan COMMERCIAL AGENCY OF U. S. OF AMERICA.

San Juan del Norte, Nicaragua, June 24, 1854.

and satisfactory assurances given to Commander Hollins of future good conduct towards the United States and public functionaries who may in future be at that place.

If the outrage was committed by lawless individuals without the authority or connivance of the town, then it is clearly the duty of those who exercise the civil power at San Juan to inflict upon them exemplary punishment. The neglect to bring them to justice is assuming, on the

for the acts of these individuals. In such a case not to punish is an implied sanction of the acts of the transgressors. It is hoped that the authorities will be prepared to satisfy Commander Hollins that they have done what was incumbent on them in the way of bringing the offenders to punishment.

You will confer freely with Commander Hollins, and furnish him with all the information you possess in relation to the condition of things at San Juan.

I am, sir, respectfully, your obedient servant, U. S. Commercial Agent at San Juan del Norte.

Instructions to Commander Hollins.

Compny, dated May 12, 1854, "and all damages sustants to take advantage of the opportunity. A few largest senting the said company from repossessing itself of it."

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I am, sir, respectfully, your obedient servant, W. L. MARCY.

JOSEPH W. FARENS, Esq.

U. S. Commercial Agent at San Juan del Norte.

Instructions to Commander Hollins. tained by the company in consequence of the destruction of their building on Point Arenas, in the month of March. 1853, by the said acting authorities, which claim was duly presented by Abraham Banker, agent of said com-pany, on the 25th of June, 1853. I am, gentlemen, your obedient servant,

JOSEPH W. FABENS, United States Commercial Agent.

(B.)—Commercial Agency, U. States of America, San Juan del Norte, Nicaragua, July 11, 1854.

San Juan del Norte, Nicaragua, July 11, 1854.

To those now or lately pretending to and exercising authority in and to the people of San Juan del Norte.

GENTLEMEN: On the 24th ultimo, in accordance with the instructions of the Government of the United States of America, I notified you that the said Government would require of you immediate reparation for the property belonging to the Accessory Transit Company, which was stolen from the said company and received by you, as specified in my letter of that date, as well as for all damages suffered by their agents and employes while endeavoring to repossess themselves of the same. I have now, acting in concert with Commander Hollins, of the United States ship Cyane, at present in this harbor, to demand of you immediate payment of the sum of sixteen demand of you immediate payment of the sum of sixteen thousand dollars, which has been adjudged to be the proper sum for you to pay for the said property and the gross outrages perpetrated by you upon the persons of American citizens, as set forth in protests of Mr. Scott of the 12th May last, copies of which have already been served

apon you.

There is likewise a claim of the Accessit Transit Com-

There is likewise a claim of the Accessit Transit Company versus the acting authorities of San Juan del Norte for the sum of eight thousand dollars, as specified in my letter to you of the 24th ultimo. This you will be likewise expected to pay forthwith.

For the indignity offered to the United States of America in the conduct of the authorities and people of this town towards their Minister, Mr. Borland, while recently in this place, nothing short of an apology, promptly made, and satisfactory assurances given to Commander Hollins of future good behavior on the part of the said authorities and people towards the United States and her public functionaries who may in future be here, will save the place from the infliction which its late acts justly merit.

Your obedient servant,

JOSEPH W. FABENS,

United States Commercial Agent.

Commander Hollins to Mr. Fabens. UNITED STATES SHIP CYANE, Harbor of San Juan del Norte, July 12, 1854.

SIE: I have the honor to acknowledge the receipt of your communication of this date, in reference to the unuccessful result of the demands of the Government of the United States upon the town of San Juan del Norte. It is with deep regret I find myself compelled, in obedience to my orders, to make use of the force at my command for the purpose of enforcing the demand of our Government, and obtaining that reparation so justly due for the outrages committed.

Enclosed I have prepared a proclamation, setting forth my determination and the course I shall pursue, which will be posted in the public places of the town you may lesignate as proper.

Any assistance you may require for the purpose of removing the archives of the commercial agency, &c. will be furnished at your request. I have the honor to be, sir, very respectfully, your

bedient servant. GEO. N. HOLLINS, Commander. JOSEPH W. FABENS, Esq.
United States Commercial Agent, San Juan.

PROCEA WATTON To all men to whom these presents shall come, or to whom they

May concern, greeting:

Know ye, that whereas certain gross eutrages have at sundry times been perpetrated by the "authorities" (so called) and people of San Juan del Norte upon the persons and property of American citizens at that place and vicinity; and whereas a serious insult and indignity has been offered to the United States in the conduct of the said authorities and people towards Mr. Borland, United States Minister to Central America, for which outrage

tory reply returned to demands already made:
Now, therefore, I, George N. Hollins, comthe United States sloop-of-war Cyane, by virtue of my instructions from the United States Government at Wash-ington, do hereby solemnly proclaim and declare that if the demands for satisfaction in the matters above named, specified in the letter of Mr. Fabens, United States Com specified in the letter of Mr. Fabens, United States Com-mercial Agent, dated 11th instant, are not forthwith complied with, I shall, at 9 o'clock A. M. of to-morrow, 13th instant, proceed to bombard the town of San Juan del Norte aforesaid, to the end that the rights of our country and citizens may be vindicated, and as a guaran

tee for future protection.

GEORGE N. HOLLINS, Commander. U. S. Ship Ctane, Harbor of San Juan del Norte, Nicaragua, 9 A. M., July 12, 1854.

Commander Hollins to Mr. Dobbin.

United States Ship "Cyane," (at anchor,)

Harbor of San Juan del Norte, Nicaragua, July 16, 1854.

Sin: I have the honor to report my arrival at this port on the 11th instant, after a tedious passage of twenty-two days. On the 28th ultimo, when off the "Bermudas," the "small-pox," in its most virulent form, made its ap-pearance on board in the person of one of the crew, who

pearance on board in the person of one of the crew, who is now in a precarious condition. The usual measures have been taken to prevent, if possible, the extension of the disease, which I hope may prove successful.

Immediately on my arrival I communicated with Mr. Joseph W. Fabens, the representative of the United States at this place, and delivered into his hands the despatch forwarded through me from the Hon. W. L. Marcy, Secretary of the Department of State, of which I had been honored with a copy. After due consultation with Mr. Fabens, I learned the demand by him, made by order of the State Department upon the town of San Juan, had not he State Department upon the town of San Juan, had no only been treated with contempt, but threats of future violence toward American citizens and property were publicly made, if an opportunity should offer. After due deliberation, it was thought expedient to make a final demand upon the inhabitants for an indemnity for injuries sustained by citizens of the United States, and for an apology of a satisfactory character for the insult recently given to Mr. Borland, our Minister to Central America. rected to communicate with the agents of the Transit Company, and determine upon the amount of indemnity commensurate with their losses; and the sum of sixteen thousand dollars was agreed upon as the smallest sum admissible under the circumstances, which, with a pre-vious demand already made of eight thousand, made the vious demand already made of eight thousand, made the sum total of twenty-four thousand dollars. From my knowledge of the injuries, &c. sustained, and the future detriment to the company, &c., this sum seemed to be no more than just; and I directed Mr. Fabens to make a last appeal to the people of San Juan before decisive measures were taken. This was done on the afternoon of the 11th instant, as will be seen in his communication dated the 12th instant, with its contents, in answer to

mine of the day preceding.

As the result of the demand was entirely unsatisfac As the result of the demand was entirely unsatisfactory, in my answer to Mr. Fabens to his communication ister to Central America, I have to inform you that, so far from any apology having been offered by the town or its authorities, or any steps having been taken to bring the perpetrators thereof to justice, the chief actors and instigators are now in undisputed possession of the town, its arms and ammunition, and they (the people of the town) are thus virtually countenancing and approving the indignity to the present moment.

Fauntleroy, were ordered on shore to secure the arms and ammunition, as an evident disposition was existing among the people to make an improper use of them, and also to assist and protect Mr. Fabens and others in the

removal of their property.

This duty was quickly performed by the officers of the command, and the arms, &c. deposited on Point Arens, in charge of the agent of the Transit Company, to awat future disposition. At the same time foreigners generally, and those favorable to the United States, were neglected. tified that a steamer would be in readiness on the morning of the day of the bombardment to convey such as wee

disposed to a place of safety.

Commander and Lieut. Jelly, of her Britannic Majety's schooner Bermuda, at anchor in this harbor, was also notified by me in person of my intentions on the morrow, and a tender of assistance was made to him for the purpose of removing any property or persons of Great Britain. This offer was met by his communication and responded to as in my letter.

Agreeably to promise, a steamer was sent to the bwn

werppened on the town with shot and shells for three-quarters fan hour, followed by an intermission of the same time when they were opened again for half an hour, followed by a second intermission of three hours. At the expation of this interval the firing was recommenced, and ontinued for twenty minutes, when the bombard-menceased. The object of these several intervals in meniceased. The object of these several intervals in the ombardment was that an opportunity to treat and satisatorily arrange matters might be furnished the inhabants of the town. No advantage was taken of the consertation shown them, and at 4 o'clock P. M. a comman under Lieuts. Pickering and Fauntleroy was sent on sore with orders to complete the destruction of the townby fire.

on sore with orders to complete the destruction of the towiby fire.

The property of Mr. De Barwell, a Frenchman, was directed to be exempted from destruction, if possible, as I hall learned he had protested, and held himself alcof, as ir as possible, against any co-operation with the tow's people or pretended authorities of San Juan.

The town was thus destroyed, for the greater part, in the hort space of two hours. No lives were lost, although an ittack was made by an armed party on the command of lieuts. Pickering and Fauntleroy, but on the volley being returned the attacking party fied. The shots were returned more for the purpose of frightening than destroying life, and had the desired effect.

The execution done by our shot and shells amounted to the almost total destruction of the buildings; but it was thought best to make the punishment of such a character acto inculcate a lesson never to be forgotten by those who have for so long a time set at defiance all warnings, and satisfy the whole world that the United States have the power and the determination to enforce that repara-

aid satisfy the whole world that the United States have the power and the determination to enforce that reparation and respect due them as a Government, in whatever quarter the outrages may be committed.

The royal mail-packet "Dee" arrived in the harbor during the conflagration of the town, but left immediately, taking with her in tow her Britannic Majesty's schooner 'Bermuda;" thus leaving the English subjects referred to uthe communication of Commander Jolley without any assistance, should it be required. No communication from Commander Jolley, of the "Bermuda," was made with the "Cyane" prier to his departure; but I am informed he carried with him a number of the principal participators in the outrages that have been committed by the town of San Juan, and among them the former Mayor, a Mr. Martin. \* \* \* \*

I have the honor to be, sir, very respectfully, &c., your most obedient servant,
GEO. N. HOLLINS, Commander.

Hon. J. C. Dobbin, Secretary of the Navy, Washington, D. C. Lieut. Jolley, British Navy, to Com. Hollins. H. M. S. BERMUDA, GREYTOWN,

H. M. S. BERMUDA, GREYTOWN,

Mosquito, July 12, 1854.

Sie: After due deliberation upon the communication which I this morning had the honor to receive from you alongside her Majesty's schooner under my command, I consider it my duty to enter my most solemn protest against the course you then intimated to me that you intended to pursue towards the city of Greytown.

The inhabitants of this city, as well as the houses and property, are entirely defenceless and quite at your mercy. I do therefore notify you that such an act will be without precedent among civilised nations; and I beg to call your attention to the fact that a large amount of property of British subjects, as well as others, which it is my duty to protect, will be destroyed; but the force under my command is so totally inadequate for this protection against the Cyane, I can only enter this my protest.

the Cyane, I can only enter this my protest.

I have the honor to be, sir, your obedient servant, W. D. JOLLEY. Lieutenant and Commandant.

Commander Hollins, United States ship-of-war Cyane. Reply of Commander Hollins UNITED STATES SHIP CYANE, (at anchor,) San Juan del Norte, Nicaragua, July 12, 1854.

Sin: I have the honor to acknowledge the receipt of your communication of this date, and sincerely regret you should feel yourself necessitated to protest against the action I am about to take in relation to the city of

San Juan del Norte.

The people of San Juan del Norte have seen fit to commit outrages upon the property and persons of citizens of the United States after a manner only to be regarded as piratical, and I am directed to enforce that reparation demanded by my Government. Be assured I sympathize with yourself in the risk of English subjects and property

under the circumstances, and regret exceedingly the force under your command is not doubly equal to that of the Cyane." GEO. N. HOLLINS, Commander

W. D. JOLLEY, Lieut. and Com. H. B. M. S. Bermuda. Two more Letters complete this correspondence. They re both from Mr. FABENS to Mr. MARCY-the one relatng the proceedings of the people of San Juan towards Ir. Borland, in consequence of his interference to prevent the arrest of Capt. Smith; and the other giving information of the proceedings of Commander Hollins and the destruction of the town. The republication of these two letters would be merely a repetition of what is stated in the letters of Mr. Borland and Capt. Hollins in refer-

ence to the same transactions. COMMERCE.

Messrs. EDITORS: Among the articles produced in the United States none will take so great a rise or be so much n demand as hemp and flax, particularly the former. For many years a prejudice existed against water-rotting hemp, under the impression that the process caused disease among cattle in the neighborhood of the streams where it is carried on. A few facts connected with the history of the hemp plant may dispel this error. It is true that in the streams where the hemp is rotted the fieh come to the surface in a state of intoxication and to all appearances dead, and cattle after drinking the water tagger about and cut up fantastic tricks, but this is owing to a narcotic resin in the hemp plant called in Asia-"Houshish." It has the same effect on fish as the cocular ndicus, which is used to take them in many places. Cattle, instead of being killed by it, actually become fond of drinking the water; and it is with difficulty they can be kept from the streams, as it causes the same delightful sensation that a small amount does on the human system.

The resin of the hemp plant is extensively used among Eastern nations to produce a pleasant character of intoxication, as it leaves no unpleasant results. A most excellent description of its effects is given in "Black-wood" Messeries" under the content of the series of the content of the conte toxication, as it leaves no unpleasant results. A most excellent description of its effects is given in "Blackwood's Magazine," under the caption of "Narcotics." Water-rotting hemp has been tried in the United States with decided success, the American hemp so treated proving better in all respects than Russian.

The import of hemp and flax into Great Britain was as follows: In 1820, 28,238,000 lbs.; in 1839, 122,374,000

lbs., being an increase during these years of 94,136,000 lbs. In 1840 there was imported into Great Britain 127,880,480 lbs. of flax and 69,744,936 lbs. of hemp. In

lbs. In 1840 there was imported into Great Britain 127,880,480 lbs. of flax and 69,744,336 lbs. of hemp. In 1849 the amount had risen to 184,292,000 lbs. flax and 108,250,000 lbs. hemp; the average import during these two years being 139,279,848 lbs. flax and 82,665,556 lbs. hemp. Russia exported to Great Britain in 1847 55,000,000 lbs. hemp and the United States only 127,806 lbs., making a difference in favor of Russia of 54,875,000 lbs. England also requires an annual supply of 650,000 quarters of linseed to be used as seed for crushing purposes; this requires an outlay of \$600,000, which goes principally to Russian northern ports. Besides this, Austria. produces about 3,000,000 lbs. hemp; Denmark 1,788,000 lbs. These countries will be the most affected by the war, and the above great commercial staple will for awhile at least be cut off from a market, so far as most of the above mentioned nations are concerned. Russia exported to the United States in 1858 about 2,000 tons. There is now on hand about 1,500 tons; the price of which is in cash \$400 and on time \$500 per ton. There will be required for 1854 for the navy and commercial marine 33,500,000 lbs., and for other domestic purposes 5,000 tons. No Russian hemp will be imported into this country this year; the demand will therefore be for all purposes of home consumption and to meet the demand abroad 113,400,000 lbs. of hemp, which amount must be raised by the American agriculturist; the value of which is in round numbers about \$24,000,000. These few facts raised by the American agriculturist; the value of which is in round numbers about \$24,000,000. These few facts are thrown out that our Western hemp-growers may take

the hint. Yours, with respect, W. D. PORTER. The buildings attached to the Shawnee Furnace at Columbia (Pa.) were destroyed by fire on Friday. They were owned by Messrs. Wright & Nephew, whose loss in estimated at \$40,000.